

# Handbook for Electronic Return Originators and Transmitters of Individual Income Tax Returns

*Tax Year 2002*



**Indiana  
Department  
of Revenue**

*This publication contains information regarding the Indiana electronic filing program and its application process.*

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**Text highlighted by side-bars on left indicate changes to this years program.  
Please pay close attention to these areas.**

## Administrative Highlights

- **State Acknowledgments** - detail record expanded. See pages 12-13.
- **Credit Card Payment Options** - Pay the “Amount You Owe” with a major credit card using our web site or by a toll free telephone call. See page 19 for further instructions.
- **Electronic Check Payment Option** - Pay the “Amount You Owe” with our new electronic check service. See page 19 for further instructions.
- **Post Filing Coupon** - The Department requires the ERO to generate the Post Filing Coupon even after April 15, 2003. Additional information on page 19.
- **Use Tax Changes** - Legislation has increased the Sales and Use Tax to 6% and reduced the Collection Allowance effective December 1, 2002. Please see the instructions in the IT-40 Booklet for the latest method in calculating the Use Tax to be reported on the IT-40.

## Getting Started

### The Federal/State Electronic Filing Program

The Indiana Department of Revenue (Department) is accepting electronic tax returns as part of the Federal/State Electronic Filing program in conjunction with the Internal Revenue Service (IRS).

The state system relies on the IRS to initially receive the state’s electronic data and store it until the Department retrieves it for processing. Since the state data goes through the IRS system first, the Indiana return must be filed at the same time as the federal return for the state data to be accepted. Because of this, it is necessary for participants to be accepted into both the federal and state programs to send the electronic data. Participants must meet all federal requirements as published by the IRS, as well as the requirements for the Indiana electronic filing program as specified in this publication.



To obtain information on federal electronic filing requirements, or to obtain IRS Publication 1345 and its supplement, please contact:

Internal Revenue Service - Indiana  
Attn: Eloise Erickson, ETA Coordinator  
P.O. Box 44976, Stop WI665  
Indianapolis, IN 46244-0976  
Telephone: 317/226-6015  
E-Mail: [Eloise.Erickson@irs.gov](mailto:Eloise.Erickson@irs.gov)

### Who Can Participate

There are three classifications of participants in the electronic filing program: Electronic Return Originators (ERO), Transmitters, and Software Developers.

Electronic Return Originators (ERO) gather forms from taxpayers and prepare them for electronic transmission using tax preparation software that has been approved by both the IRS and the Department. They may be paid preparers who fill out the returns for the taxpayers or they may simply be drop-off points for the collection of completed returns which will be processed electronically.

Transmitters actually transmit electronic returns directly to the IRS Service Center using approved software. A company may be both an ERO and a transmitter, or an ERO may have an arrangement with a third-party transmitter to use their computer services.

Software Developers create and/or produce the tax preparation and transmission software which formats the electronic returns and allows the data to be transmitted via computers.

### **The Application and Acceptance Process**

Because this is the Federal/State Electronic Filing Program, you must meet the requirements of both the IRS and the State of Indiana to participate.

To apply for the federal program you must complete Form 8633, Application to Participate in the Electronic Filing Program, which is available from the IRS. IRS Publication 3112, IRS e-file Application Package, specifies the application process and requirements for federal participation.

Once you have been accepted into the federal electronic filing program, you are automatically accepted into the Indiana program. There are no additional applications needed. However, the Department reserves the right to deny participation in our program if your company is required to be, registered to do business in the state, but is not, or if your company has any outstanding tax liabilities with the state. If this is the case, you will be notified immediately.

### **A Special Note for All ERO, Transmitters and Software Developers**

The software used to transmit the data must be approved by both the IRS and the Department as part of the acceptance process. Software Developers are required to test their software programs for accuracy. The Department will do additional testing of those programs prior to approving them. Specifications for developing your programs are explained in the IRS Publication 1346, Indiana Publication IND 1346, the Handbook for Developers of Electronic Filing Software for Individual Income Tax Returns, and Indiana Publication IND 1347, Edit and Validations for Indiana Individual Income Tax, Tax Year 2002.

Participating software developers will be provided with test data and instructions to perform the Indiana testing. The state's testing procedures mirror the federal testing guidelines. Indiana Publication IND 1436, Instructions for Testing Electronic Filing Software for Individual Income Tax Returns, Tax Year 2002, contains all the necessary test materials. Only software developers are required to test with the Indiana Department of Revenue. However, EROs and transmitters must be sure to use only tax preparation software or use a third party transmitter who's software has been approved for use by the Department.

All software developers must obtain approval from the Department for all Indiana forms printed by their software product. Approval by the Department must be received in writing prior to a Software Developer being granted "certification" for electronic filing of tax year 2002 Indiana tax returns. Please contact the Forms Management Coordinator at 317/232-2198 at the Indiana Department of Revenue to begin the forms approval process. Identify yourself as an E-File participant.

The Department reserves the right to suspend the approval of any software developer that fails to comply with the guidelines set forth in this publication, Indiana Publications IND 1346, and IND 1347, IRS Publication 1345 and Supplement and IRS Publication 1346.

## **Publications**

The following publications are available for your assistance:

### **Federal Publications**

IRS Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns

IRS Filing Season Supplement to IRS Publication 1345, (Tax Year 2002)

IRS Publication 3112, IRS e-file Application Package (Tax Year 2002)

IRS Publication 1346, Electronic Return File Specifications and Record Layout for Individual Income Tax Returns (Tax Year 2002)

IRS Publication 1436, Test Package for Electronic Filing of Individual Income Tax Returns (Tax Year 2002)

### **State Publications**

Indiana Publication IND 1345, Handbook for Electronic Return Originators and Transmitters of Individual Income Tax Returns, (Tax Year 2002)

Indiana Publication IND 1346, Handbook for Developers of Electronic Filing Software of Individual Income Tax Returns, (Tax Year 2002)

Indiana Publication IND 1347, Edit and Validations for Individual Income Tax Returns, (Tax Year 2002)

Indiana Publication IND 1436, Instructions for the Testing of Electronic Filing Software of Individual Income Tax Returns, (Tax Year 2002)

Please review both the federal and state publications on electronic filing if you have any questions.

*Note:* EROs and transmitters will primarily be interested in IRS Publications 1345 & 1345 Supplement and State Publication IND 1345. IRS Publications 1346 and 1436 plus State Publications IND 1346 and IND 1436 and IND 1347 are geared toward software developers.

### **Help Desk**

Tax practitioners, EROs and Transmitters who need assistance should call the Indiana Electronic Filing Help Desk at 317/615-2508 Monday through Friday between 7:30 a.m. and 4:00 p.m. Also, the Help Desk is the place to call for information regarding state acknowledgment records. Voice mail is available after hours. E-mail may be sent through the Internet to [bdunbar@dor.state.in.us](mailto:bdunbar@dor.state.in.us). The Department's web site ([www.in.gov/dor](http://www.in.gov/dor)) contains downloadable state forms and other information for tax practitioners and E-File program participants.

**Attention:** Do not distribute the Electronic Filing Help Desk telephone number to your clients (the taxpayers). This number is being provided to EROs as a courtesy. Distributing this number to the public can cause delays in assisting the EROs it was established to help.

By electronically filing your individual income tax information you avoid much of the paper work associated with the filing process. Returns no longer have to be mailed, sorted, keypunched and key verified; they bypass those parts of the process.

## **The Filing Process**

### **What Can Be Electronically Transmitted**

The only Indiana state tax forms that can be electronically transmitted are:

1. IT-40, Indiana Full Year Resident Individual Income Tax Return or the IT-40EZ with the following exclusions:

- a. Returns with a Power of Attorney currently in effect for the refund to be sent to a third party;
  - b. Returns on which the number of exemptions and/or the filing status on the federal return does not match the state return. (*Exception:* The number of exemptions claimed on the federal 1040EZ may differ from the state return.); and
  - c. Returns containing more than:
    - thirty (30) attachments total,
    - fifty (50) W-2s,
    - thirty (30) W-2Gs, or
    - ten (10) 1099-R forms.
2. Schedule 1: Indiana Deductions (Attachment to Form IT-40);
  3. Schedule 2: Indiana Credits (Attachment to Form IT-40);
  4. Schedule CT-40, County Tax Schedule for Full Year Indiana Residents;
  5. IT-2210, Underpayment of Estimated Tax Schedule for Individuals,
  6. CC-40, Indiana College Credit Schedule; and
  7. Schedule IN-EIC, Indiana Earned Income Credit.

No other forms can be electronically transmitted.

### **What Cannot Be Electronically Transmitted**

In addition to the types of IT-40 returns that are excluded, the following types of forms cannot be electronically transmitted.

1. Amended or corrected returns (IT-40X);
2. Prior year returns (IT-40P);
3. Part-year or nonresident returns (IT-40PNR);
4. Reciprocal Nonresident returns (IT-40RNR);
5. Any partnership or corporate returns; and
6. The SC-40, Unified Tax Credit for the Elderly.

### **Form IT-8453**



An IT-8453, Declaration of Electronic Filing, must be ***completed and signed*** before transmission can take place. The purpose of the IT-8453 is three fold: it gives authorization for the originator to file on the taxpayer's behalf, provides permission for direct deposit of the taxpayer's refund, and as authentication for the return. *This signed IT-8453 will be retained by the ERO.*

# INDIAN



It is necessary to complete an IT-40 or IT-40EZ *before* filling out an IT-8453 because the information needed on the IT-8453 will be taken directly from that return. In most cases, the IT-8453 will be printed for you by your tax preparation software, however, for your convenience we have included a copy of an IT-8453 on page 8 of this publication. The following are step-by-step instructions for completing the form.

#### IRS DCN

Enter the IRS Declaration Control Number (DCN) in the appropriate boxes at the top right portion of the document. **This is required!** *A complete DCN must be present on every IT-8453.*

#### Daytime Telephone Number

Enter a daytime telephone number where the taxpayer may be reached in case there are any questions about the tax return. Telephone contact allows for faster confirmation if problems exist with the return.

#### Part I -Tax Return Information

Enter the necessary information from the Indiana Individual Income Tax Return (IT-40 or IT-40EZ). **Use only whole dollar amounts.** Failure to use whole dollar amounts may cause rejection of the electronic data packets.

#### Part II - Direct Deposit of Refund

The ERO must complete this section if the taxpayer wishes to have their refund deposited into a checking or savings account at their financial institution. The ERO information must also be included in the data being transmitted to the Department.

The ERO responsibilities listed on Page 32 of the IRS Publication 1345 must be followed for the Direct Deposit of Indiana refunds.

Note: If the taxpayer is requesting to have both the Federal and Indiana refunds direct deposited, you are not required to use the same Routing Number and Account Number on both records or both the Federal 8453 and Indiana IT-8453. However, the taxpayer's RTN, Account Number and Account Type must be verified by the ERO in the same manner as on the Federal return. Just as with your federal refund, the taxpayer's refund cannot be deposited into a third party's account.

#### Part III- Declaration of Taxpayer

The taxpayer (and spouse in case of a joint return) must authorize Direct Deposit or not, verify the information on the IT-40 or IT-40EZ return and sign the printed Form IT-8453 before the electronic return is transmitted. The preparer/transmitter must provide the taxpayer with a copy of the return.

Part IV - Declaration and Signature of Electronic Return Originator (ERO) and Paid Preparer

**EROs and paid preparers are required to furnish all information requested in Part IV of Form IT-8453.** If the primary paid preparer was someone other than the ERO, then that person's signature and business information is needed on the IT-8453. If they are not available to sign the IT-8453, then a copy of the completed IT-40 with their manual signature and business information on it must be attached to the back of IT-8453. *This is the only reason to attach a copy of the IT-40.*

If the ERO and the Paid Preparer are the same person, then only the ERO's information boxes need to be filled out and the Paid Preparer's box must be checked.

Attachments to Form IT-8453

1. State copies of wage and withholding tax statements.
2. Schedules, worksheets, or other verification requested on the IT-40 to explain any deductions and/or credits the taxpayer may have taken. These forms include:
  - a. IT-2210A, Annualized Income Schedule for the Underpayment of Individual Estimated Tax
  - b. IT-2440, Disability Retirement Deduction;
  - c. IT-40QEC, Enterprise Zone Credit for Qualified Employees;\*
  - d. IT-40NOL, Individual Net Operating Loss Schedule; and
  - e. Other State Tax Credit forms.
3. Any document requiring original signatures.

Only if the primary paid preparer has NOT signed the IT-8453 should a copy of the IT-40 with the signature be attached.

NOTE: Please attach the W-2 forms on the front of the IT-8453 where indicated. All other forms or attachments should be attached to the back.

\* If you are electronically filing a return for a client who is claiming the Enterprise Zone Credit, please mail the IT-40QEC to: Indiana Department of Revenue Compliance Division, RM N203 100 N. Senate Ave., Indianapolis, IN 46204-2253.

If you have any questions concerning filling out the Form IT-8453, please direct them to the Indiana Electronic Filing Help Desk **prior** to transmitting the taxpayer's information.

**The Transmission Process**

The data for the Indiana return must be transmitted to the Internal Revenue Service Center along with the federal return information. The Service Center simply receives and stores the Indiana information for the Department to retrieve

from them. Under no circumstances will the IRS alter the information on the state return.

## **IRS Acknowledgments**

If the data meets the specifications and the transmission is accepted by the IRS, the transmitter will receive an acknowledgment that the transmission is complete. The IRS will acknowledge acceptance of the federal data and receipt of the state data packet. The IRS acknowledgment does **not** constitute acceptance (or rejection) of the Indiana data.

If the data does not meet the specifications, the entire packet (both the federal and state returns) will be rejected and an error code will be generated by the IRS. If an error code is generated, the Filing Season Supplement to the IRS publication 1345 should be referenced.

### **Where to get your acknowl- edgments**

#### **Indiana State Acknowledgments**

Indiana will acknowledge receipt of the state data record from the IRS using the Drake StAck system. The state acknowledgment record will indicate if the state return has been accepted or rejected. If rejected an error code will indicate why the return was not accepted. Information about StAck can be found on page 20 of this publication.

State acknowledgments will generally be available within a few hours of our having received the state returns from the IRS each day. It is a requirement of participation in the Indiana Electronic Filing Program that all direct transmitters connect to Drake at least once each day to retrieve any state acknowledgments that have been sent to them.

The following page gives the format of the records that will be found in the state acknowledgment file. Please note that the State Detail Record has been expanded to include the Return Sequence Number (RSN).

Errors may be identified on the Indiana return when they enter our tax processing system. Some errors that may be identified are duplicate returns, duplicate social security numbers, and computation errors. The transmitter will not be given any information regarding the return other than the notification that it has been retrieved by the Department and an indication as to whether the state return was accepted or rejected. The state acknowledgment is addressed to the transmitter who sent the data. It is that transmitter's responsibility to inform the ERO or taxpayer that the return has been either accepted or rejected.

The Department does not send acknowledgments to individuals filers. If you are a tax practitioner or an ERO and you have questions regarding your state acknowledgment, *contact your transmitter directly.*

## Federal/State Electronic Filing State Acknowledgment Records to be Retrieved by a Transmitter

**State Header Record** (One per transmission for each Transmitter Mailbox # (i.e. ETIN #))

Byte Count				Header I.D.					Batch Count by Transmitter Mailbox #				Transmitter Mailbox #				State I.D.	
1	2	3	4	5	6	7	8	9	1	1	1	1	1	1	1	1	2	
									0	1	2	3	4	5	6	7	8	
																	9	
																	0	
																	1	

**State Detail Record** (One or more per transmission for each Transmitter Mailbox #)

Byte Count	Transmitter Mailbox #	State I.D.	Electronic Filer EFIN #	Batch & Serial # from DCN	SSN of Primary Taxpayer	Julian Date	A C C	E F T	Error #1	Error #2	Return Sequence Number (RSN)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						

**State Trailer Record** (One per transmission for each Transmitter Mailbox #)

Byte Count	End I.D.	Batch Count by Transmitter Mailbox #	Transmitter Mailbox #	State I.D.
1 2 3 4 5 6 7 8 9		1 1 1 1 1 1 1 1		
		0 1 2 3 4 5 6 7 8 9		

**ACC = Acceptance Code**

“A” = Accepted

“R” = Rejected

**EFT (used for “Type of Return”)**

“L” = Live Return

“T” = Test Return

An example of a state acknowledgment file is shown below.

```
0021BEGIN0000596911IN
005896911IN95179800001333119999345AL0000001992800116170006
005896911IN95179800002333229999345RL0100001992800116170008
005896911IN95179800003333339999345RL0200001992800116170100
005896911IN95179800004333449999345RL0300001992800116170104
005896911IN95179800005333559999345AL0000001992800116170009
0019END0000596911IN
```

The first record indicates that this is a State Header Record which contains 5 detail records. It is for ETIN 96911 and it contains state acknowledgments for the state of Indiana (IN).

The second record is a State Detail Record indicating receipt of an Indiana return for ETIN=96911, EFIN=951798 and SSN=333119999 on the 345th day of the year. Indiana accepted the state return and a refund check will be issued.

For state returns that are rejected by Indiana, currently three possible error codes exist. A rejected return's State Detail Record will have an R in the ACC field and an error code other than 000 in the Error#1 field. Refer to the next section of this publication, "Indiana Error Codes" for a listing and description of all error codes.

The third record is a State Detail Record indicating receipt of an Indiana return for ETIN=96911, EFIN=951798 and SSN=33322999 on the 345th day of the year. Indiana rejected the state return because the software used to produce the return is not certified by Indiana.

The fourth record is a State Detail Record indicating receipt of an Indiana return for ETIN=96911, EFIN=951798 and SSN=333339999 on the 345th day of the year. Indiana rejected the state return because the ETIN was not a valid transmitter for Indiana.

The fifth record is a State Detail Record indicating receipt of an Indian return for ETIN=96911, EFIN=951798 and SSN=333449999 on the 345th day of the year. Indiana rejected the state return because the EFIN was not a valid filer number for Indiana.

The sixth record is a State Detail Record indicating receipt of an Indiana return for ETIN=96911, EFIN=951798 and SSN=333559999 on the 345th day of the year. Indiana accepted the state return and a refund check will be issued.

The last record is a State Trailer Record which indicates that the batch contains 5 detail records. It is for ETIN 96911 and it contains state acknowledgments for the state of Indiana (IN).

## Indiana Error Codes

If a state return is rejected, one of the following error codes will be present in the Error Code 1 field in the State Detail Record.

Error code **000** means there is no problem.

Error code **010** means that the software package used to prepare the return is not valid for Indiana. Only software supplied by companies that have passed Indiana's development and testing program can be used to prepare Indiana returns for electronic filing. A new Software Developer Code is assigned each year.

Error code **020** means that the ETIN is not valid for Indiana. This would be due to a particular transmitter not adhering to the rules of the electronic filing program and having been suspended from the Indiana Electronic Filing Program.

Error code **030** means the EFIN is not valid for Indiana. This would be due to a data entry error or particular filer not adhering to the rules of the electronic filing program and having been suspended from the Indiana Electronic Filing Program.

Error code **040** means State Acknowledgement Mailbox ID (for StAck) is missing or invalid.

## Who to Contact

Questions concerning your state acknowledgments or pertaining to Drake should be directed to Drake's Customer Support Center. Please refer to page 20 for details on how and when to contact Drake.

Only questions dealing specifically with electronic filing software development should be directed to: Indiana Department of Revenue, Attn: Alternative Filing Manager, 100 N. Senate Avenue, IGCN Room N286, Indianapolis, IN 46204. Voice: (317) 232-0059. Fax: (317) 233-1455. Internet address: altfilemgr@dor.state.in.us.

***All other inquiries*** should be made to the *Indiana Electronic Filing Help Desk* at (317) 615-2508. **DO NOT DISTRIBUTE THIS TELEPHONE NUMBER TO YOUR CLIENTS.** If the Help Desk Attendant cannot answer your question, you will be transferred to a staff member who can assist you. The Indiana Electronic Filing Desk is operational Monday through Friday between 7:30 a.m. and 4:00 p.m. Twenty-four hour voice mail is available.



## Paper Documents

### **NOTHING IS MAILED TO THE INDIANA DEPARTMENT OF REVENUE**

Upon receipt of the Indiana acknowledgment, the ERO **must** keep and maintain the following information until December 31, three years after the return was signed and transmitted. (Example: 2002 return filed April 15, 2003: IT-8453 with attachments will be kept by the ERO until December 31, 2006.)

Each of the following must be kept:

1. Original IT-8453, Declaration of Electronic Filing w/original signatures;
2. State copies of W-2s, W-2Gs, 1099Rs, and other forms that show Indiana individual income tax withholding;
3. All documents requiring original, manual signatures; and
4. Any supporting schedules or worksheets that explain deductions or credits taken on the IT-40 as they apply to the taxpayer.
5. A copy of the IT-40 with the signature and business information of the primary paid preparer only if they did not sign the IT-8453.

The Department may request copies of this information from the ERO on an as needed basis. The Department in return will make every effort to review the records on hand before contacting the ERO for copies. However, the ultimate responsibility of record keeping falls to the taxpayer per IC 6-8.1-5-4(b).

The Department will conduct random monitoring visits with EROs in order to verify that they are complying with this procedure. Should an ERO decide to no longer remain in the business, the Department must be notified in order to determine what will be done with the signature documents and attachments.

If the ERO is a transient VITA or military site, special arrangements can be made for storage of the paper documents. Contact Bill Dunbar, Electronic Filing Coordinator to make arrangements. He may be contacted via e-mail at [bdunbar@dor.state.in.us](mailto:bdunbar@dor.state.in.us) or telephone at (317) 615-2508. **(Do not give this telephone number to the taxpayer.)**

### **Corrections to Form IT-8453**

If the Electronic Return Originator (ERO) makes changes to the electronic return after the taxpayer has signed Form IT-8453, but before the data has been transmitted to the IRS, the ERO must have the taxpayer complete a new IT-8453 if:

1. The Federal Adjusted Gross Income (Form IT-40, Line 1) changes by more than \$50; and/or

2. The State Refund (Form IT-40, Line 34) changes by more than \$14.

Non-substantive changes are permissible on Form IT-8453 provided they meet the above conditions and are limited to: 1.) arithmetic errors, 2.) transposition errors, 3.) misplaced entries, and 4.) spelling errors.

The ERO making the correction must initial any changes. If errors are found after the data has been transmitted and accepted, an IT-40X, Amended Return, must be mailed in for processing because amended forms are not accepted electronically. Amended forms should be mailed to:

Indiana Department of Revenue  
100 North Senate Avenue  
Indianapolis, Indiana 46204-2253

### **Due Date**

Transmission of electronic returns must be acknowledged by the IRS on or before April 15, 2003, to be considered timely. Indiana uses the date of IRS acknowledgment as the filing date of the state return.

### **Extended Filing**

Indiana will accept late returns electronically through October 15, 2003. However, as with paper returns, if tax is due a Form IT-9, Extension Payment for Tax Year 2002, and a check or money order must be mailed to the Department on or before April 15, 2003, to avoid penalty and interest.

### **Taxpayer Copies**

After all necessary signatures have been obtained, the taxpayers must receive a copy of each form that applies to them.

The taxpayers should receive copies of: their IT-8453, their IT-40 or IT-40EZ, and all their supporting schedules. The originals will be kept by the ERO.

## **Other Situations**

### **Refund Delays**

Refund checks should be processed, mailed and in the taxpayer's possession within three weeks of the Department's acknowledgment. However, if a delay does occur, taxpayers are advised to wait four weeks from the date of transmission before calling the Department to inquire about the status of a refund check.

Taxpayers may inquire about the status of their state refund by calling the Department's Automated Refund Line at (317) 233-4018. When inquiring about



a refund, taxpayers should be prepared to provide their social security number and the refund amount requested on the return.



**Do not** give your clients the E-File Help Desk number to inquire about their refunds. The Help Desk was established to expedite assistance to EROs. Additional calls on this line can cause delays in assisting the EROs it was established to help.

Refund amounts may be offset by any outstanding liabilities due to the Department, another state agency, or the IRS for any reason. These outstanding liabilities may delay processing of a taxpayer's refund because all claims against that refund must be resolved before a refund check can be processed. This is the same procedure we follow with paper returns.



### **Refund Anticipation Loans (RAL)**

Refund Anticipation Loans are not offered by the Department. Taxpayers must wait until their returns are processed to receive any refunds due to them. If the ERO enters into an RAL agreement with the taxpayer, it is the responsibility of the ERO to explain exactly, "how the taxpayer may expect to receive their refund".

### **Direct Deposit**

Indiana taxpayers can elect to have their 2002 Indiana refund direct deposited into their checking or savings account.

Refunds will only be direct deposited if Sections II & III of the IT-8453 have been completed and signed by the taxpayer. The ERO must insure that the IT-8453 has been properly completed and signed by the taxpayer. The department cannot make any changes to this information after the return is filed.

The taxpayer may elect to have their 2002 overpayment:

- a. applied to the Indiana Nongame or Endangered Wildlife Fund;
- b. applied to their 2003 estimated tax;
- c. issued in the form of a check;
- d. directly deposited into their financial institution; or
- e. the taxpayer may elect to have their refund split in the following manner:
  - i.) part applied to the Indiana Nongame & Endangered Wildlife Fund, and the remainder refunded by check or by Direct Deposit; or
  - ii.) part applied to their 2003 estimated tax account and the remainder refunded by check or by Direct Deposit.

Neither the Indiana Department of Revenue nor the Financial Management Service (FMS), is responsible for the misapplication of a Direct Deposit that is caused by error, negligence, or malfeasance on the part of the taxpayer, ERO, Transmitter, Software Developer, financial institution or any of their agents.

**Special Note about Direct Deposit:** It is important to note that the Indiana State Auditor's Office uses Bank One, Indianapolis to perform direct deposit functions. When your client is checking to see if a refund has been direct deposited into their account, please tell them that it may appear under either Indiana Department of Revenue OR Bank One. It may also appear as a "credit" rather than a "deposit." Finally, we recommend the taxpayer talk directly with the ACH section in the accounting department of their financial institution about transactions of this sort; normally tellers only have access to information about transactions made within the previous two-week period.

Direct Deposit refund requests that are rejected by the taxpayer's financial institution will be mailed in the form of a paper check, to the address shown on the federal return. This process can delay the taxpayers refund up to 5 weeks.

Paper refunds will be mailed directly to the taxpayer. Refunds needing to be sent to any other person or address (i.e. Power of Attorney) cannot be transmitted electronically.



### **Balance Due Returns**

All electronic filers who owe tax will need to submit their payment to the Department along with a Post Filing Coupon which indicates where the payment needs to be applied.



If the taxpayer is already in a balance due status and wishes to make a 1st quarter 2003 estimated tax payment, they must use Form IT-40ES. Entries on Line 32, of the IT-40, will be disallowed when the taxpayer is already in a balance due status.

The issuance of the Post Filing Coupon (PFC) will be the responsibility of the ERO. The Department will not issue a PFC to the taxpayer. The ERO assumes the responsibility of issuing and explaining to the taxpayer when and how to file the PFC.

If not paid by the April 15, 2003, payment deadline, as with all late balance due returns, penalty and interest will be assessed. There are three options available.

1. Payment, including penalty and interest, may be made in the form of a check or money order; contact the Help Desk to determine the amount of penalty and interest due. If the PFC is being submitted with the payment after the due date, penalty and interest must be included with the "Amount You Owe" in the designated box on the PFC.
2. Payment, including penalty and interest may be made using the Indiana IN-ePay method (American Express, Discover, MasterCard or Visa.) Or
3. The Department will send a *Demand Notice for Tax Due* billing to the address shown on the electronically filed tax return.



## **Responsibilities of EROs and Transmitters**

### **Other Payment Options**

#### **Credit Card Payments**

The taxpayer may pay the “Amount You Owe” with a major credit card by either calling 1-866-729-4682, toll-free, or by logging on to our web site at [www.in.gov/dor/epay](http://www.in.gov/dor/epay). The major credit cards that are accepted are American Express, Discover, MasterCard, or VISA.

#### **Electronic Check Payments**

The Department has a new payment option. This option allows the taxpayer to pay the “Amount You Owe” by having the payment debited directly from their checking account. To take advantage of this payment option, the taxpayer will sign onto our web site at [www.in.gov/dor/epay](http://www.in.gov/dor/epay) and follow the instructions provided. Unlike the electronic withdraw option provided by the IRS, the taxpayer cannot delay the debit to a future date. Indiana’s Electronic Check Payments are made immediately.

Electronic Return Originators and Transmitters must abide by the terms set forth in this publication, the IRS Publication 1345 & Supplements and must maintain a high degree of integrity, compliance, and accuracy in order to continue to participate in the Federal/State Electronic Filing Program.

Transmitters must ensure that electronic returns are filed in a timely manner. The date of IRS acknowledgment will be considered the post mark date for electronically transmitted Indiana returns. Transmitters must get state acknowledgments to EROs on a timely basis.

EROs must ensure that the DCN is clearly and completely written or printed in the upper right-hand corner of the IT-8453 in the space provided. W-2, W-2G and 1099 forms must be attached to the front of the IT-8453. All other documentation must be attached to the back of the IT-8453.

EROs must keep and maintain the original signed IT-8453 for a period of three (3) years from December 31 of the year in which the document was signed and electronically transmitted.

It’s the Transmitter’s responsibility to confirm acknowledgment of the return by the Department before considering the state portion received. When making an inquiry on the status of an electronically filed return, please have the state acknowledgment date available.

The Department reserves the right to suspend any Transmitter or ERO from the program if they do not follow the guidelines set forth in this or any other federal or state publication concerning the Electronic Filing Program.

## StAck-State Acknowledgment Service

This section applies only to those transmitters who transmit directly to the IRS and do not use a third-party provider to do so. If you use a third-party to retrieve state acknowledgments for you, you do not need to subscribe to the state acknowledgment service. Direct transmitters should continue to read this section.

Drake Enterprises has been selected to be the provider for the state acknowledgment system StAck (State Acknowledgment) service. StAck will provide the services to Indiana transmitters to retrieve state acknowledgments from multiple states with one phone call. This service is only for state acknowledgments. Drake can only verify that the state return has been accepted or rejected by the state. It cannot verify the status of a return being processed by the state.

Unless otherwise indicated by your Software provider, all direct transmitters **MUST** contact Drake Software to subscribe to the StAck system, to obtain an acknowledgment mailbox. A Transmitter Profile Form and a Tax Return Acknowledgment Service Agreement must be completed and filed with Drake Software.

Drake Software will charge \$50.00 per year for each Mailbox (payable via check, Mastercard, Visa, Discover or American Express). You may contact the StAck Customer Assistance Center between 8:00 a.m. and 9:00 p.m. EST, Monday through Friday, at (828) 349-5750 (8:00 a.m. until 5:00 p.m. EST during the off season.) Or you may subscribe through the internet at: [www.state-ack.net](http://www.state-ack.net)

**Internet - <http://www.state.in.us/dor/>**  
Access to forms, information bulletins and directives, tax publications, e-mail, and the I-File Internet Filing.

**Indiana TaxFax - (317) 233-2329**  
Call from the telephone portion of your fax machine to retrieve tax forms and information bulletins.

**Automated Information Line  
(317) 233-4018**  
From a touch-tone telephone, you can access  
1) status of refunds, 2) pre-recorded tax topics,  
and 3) tax liability balances.

### Indiana Department of Revenue Telephone Assistance

- **Individual Income Tax Information:** (317) 232-2240
- **Sales Tax Information:** (317) 233-4015
- **Withholding Tax Information:** (317) 233-4016
- **Corporate Tax Information:** (317) 615-2662
- **Practitioner's Hotline:** (317) 233-4017
- **Collection/Liability Inquiries:** (317) 232-2165
- **Tax Forms Order Line:** (317) 615-2581
- **Motor Carrier:** (317) 615-7200
- **Telephone Device for the Deaf:** (317) 232-4952

Leave Order on Voice Mail.



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### Or contact the district office near you.....

**Indianapolis (Main Office)**  
Indiana Government Center North,  
Rm N105  
100 N. Senate Avenue  
Indianapolis, IN 46204  
(317) 232-2240

**Bloomington District Office**  
410 Landmark Avenue  
Bloomington, IN 47403  
(812) 339-1119

**Clarksville District Office**  
1446 Horn Street  
Clarksville, IN 47129  
(812) 282-7729

Mailing address: P.O. Box 3249  
Clarksville, IN 47131-3249

**Columbus District Office**  
3138 N. National Road  
Columbus, IN 47201  
(812) 376-3049

**Evansville District Office**  
500 S. Green River Road  
Suite 202, Goodwill Building  
Evansville, IN 47715  
(812) 479-9261

**Fort Wayne District Office**  
1415 Magnavox Way Ste. 100  
Fort Wayne, IN 46804  
(260) 436-5663

**Kokomo District Office**  
117 East Superior Street  
Kokomo, IN 46901  
(765) 457-0525

**Lafayette District Office**  
100 Executive Drive, Ste. B  
Lafayette, IN 47905  
(765) 448-6626

**Merrillville District Office**  
8368 Louisiana Ave., Ste. A  
Merrillville, IN 46410  
(219) 769-4267

**Muncie District Office**  
3640 N. Briarwood Lane, Ste. 5  
Muncie, IN 47304  
(765) 289-6196

**Terre Haute District Office**  
30 N. 8th Street, 3rd Floor  
Terre Haute, IN 47807  
(812) 235-6046

**South Bend District Office**  
1025 Widener Lane, Ste. B  
South Bend, IN 46614  
(219) 291-8270

**All addresses and/or telephone numbers are subject to change. Check your local listings.**

**Motor Carrier "One Stop Shop"**  
Ameriplex Office Park  
5252 Decatur Blvd., Suite R  
Indianapolis, IN 46241  
(317) 615-7200

## Checklist

### Did You Remember To...?

- ☐ 1. Double check to see if forms needed are transmittable.
- ☐ 2. Complete the IT-40 or IT-40EZ. (IRS 1040 or 1040EZ must be completed first.)
- ☐ 3. Enter figures from IT-40 or IT-40EZ on the IT-8453, if appropriate.
- ☐ 4. Enter the IRS DCN on the IT-8453. All 14 digits **must** be present and legible.
- ☐ 5. Use only whole dollar amounts.
- ☐ 6. Make sure that the name(s) and social security number(s) are printed correctly on the IT-8453.
- ☐ 7. Attach all state copies of W-2s, W-2Gs, 1099s (if claiming withholding credit) and supporting schedules to the IT-8453.
- ☐ 8. Have the taxpayer sign all documents requiring original signatures.
- ☐ 9. Obtain the signature of the primary preparer. If it was someone other than the ERO either have them sign the IT-8453 or attach a copy of the IT-40 they completed with their signature and business information.
- ☐ 10. **If a Balance Due Return, explain how to file the Post Filing Coupon (PFC) or explain to your client the options to pay by credit card or electronic check using our IN-ePay System.**
- ☐ 11. Electronically transmit state and federal information at the same time.
- ☐ 12. Give the taxpayer copies of all forms that apply to them.
- ☐ 13. Verify IRS acknowledgment.
- ☐ 14. Verify the state's acknowledgment once you have received it from your Transmitter.